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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

January 17, 2005

Sandra Pack  
Chief Financial Officer  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Room 1308  
Washington, DC 20220

Dear Ms. Pack

We are writing in regard to your compliance with the Improper Payments Information Act of 2002 (IPIA). As part of our oversight of the effectiveness and efficiency of Federal financial management, our Subcommittee needs to have the best data available so that we know what work on improper payments remains to be done. The ultimate goal is to eliminate improper payments in federal agencies in order to illustrate impeccable stewardship of taxpayer dollars.

The Department of the Treasury recently reported in its 2005 Performance and Accountability Report (PAR) that as much as 28 percent, or \$11.4 billion, of the payments made under the Earned Income Tax Credit program are due to over claims. In addition, it is noted throughout the department's 2005 PAR that other tax credit programs, for a variety of reasons, could be susceptible to improper payments even though they're not considered "high-risk" under IPIA.

In order to work with your agency in ensuring this stewardship, please detail the following:

- 1) The steps that you have taken over the last 3 years to estimate and lower EITC improper payments;
- 2) The steps that you have taken over the last 3 years to estimate and lower improper payments in other tax credit programs;
- 3) The methodology used to determine that tax credit programs similar to EITC were not at high risk of improper payments;
- 4) What steps you plan to take in the current and future fiscal years, including specific goals for reductions;
- 5) What, if any, incentives are currently in place to encourage reporting of improper payments;
- 6) Challenges your agency faces in meeting IPIA requirements;

- 7) Ways in which Congress can help you meet the goals that you have set;
- 8) A detailed corrective action plan required in PL 31 U.S.C. 3321 note, Public Law 107-300, to address improper payments.

Please provide and return the requested information by February 14th, to

Liz Scranton, Chief Clerk  
Subcommittee on Federal Financial Management, Government Information, and  
International Security  
Homeland Security and Governmental Affairs  
439 Hart Senate Office Building  
Washington, DC 20510

Please contact Robin Landauer with Senator Coburn's staff at 202.224.2254 or John Kilvington with Senator Carper's staff at 202.224.7061 with any questions you may have.

Sincerely,



Tom Coburn  
Chairman  
Subcommittee on Federal Financial  
Management, Government Information, and  
International Security



Tom Carper  
Ranking Member  
Subcommittee on Federal Financial  
Management, Government Information, and  
International Security